

## 1. Introduction.

1.1. Code of Business Conduct. Precision Resource (also referred to as the Company) believes in conducting its business ethically according to the highest standards of integrity and fairness. More than simply being the right thing to do, conducting business in an ethical manner helps Precision Resource to maintain its reputation in the industry, among the workforce, and in the community for integrity, honesty and fair dealing.

This Code of Business Conduct<sup>1</sup> is designed to acquaint all customers, suppliers and other persons or entities with which we do business (the Company's "Business Partners") with the Company's mission, values and standards of ethical conduct and to communicate certain Company expectations of its Business Partners. The Company expects that its Business Partners will conduct their businesses according to the standards contained in this Code of Business Conduct or to similar standards contained in their own policies.

1.2. Company Mission Statement and Values. Precision Resource is a multi-divisional, international manufacturer of precision components and assemblies, specializing in fineblanking. Our mission is to be worldwide fineblanker of choice for customers in the industries we serve while earning the highest reputation for integrity, honesty and fair dealing toward our employees, customers, suppliers and other stakeholders. We accomplish our mission through:

- providing employees with a clean, safe, and healthy place to work;
- minimizing the impact of our operations on the environment and conserving natural resources;
- creating a productive, quality-driven, team-oriented environment;
- fair, honest, professional and respectful interaction with employees, customers, suppliers and other Business Partners;
- offering fair and competitive wages and benefits to our employees;
- effectively communicating Company goals and strategies to employees and ensuring that employees understand their contributions toward those goals and strategies;
- achieving total customer satisfaction by supporting all reasonable customer requirements and expectations in the quality, cost and delivery of our products;
- displaying prudent growth through innovation, continual improvement, and effective utilization of all resources and technologies in a total quality environment;
- utilizing the IATF 16949 Quality System as well as customer specific requirements as a basis for our total business operating system; and

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<sup>1</sup> Nothing in this Code of Business Conduct is intended to create any kind of contractual arrangement with any individual or entity or promise which can be relied upon in any legal proceeding. The Company reserves the right to change or terminate any of its policies or procedures at any time.

- promoting partnerships by working together with our Business Partners to achieve long-lasting mutual success.

## **2. Expectations of Employees of Precision Resource.**

2.1. Representing the Company. All employees are expected to represent Precision Resource, whether at work or away from work, in a positive manner and in a way that enhances the reputation of the Company for quality, service, integrity, honesty and fair dealing. Only those employees specifically authorized to do so may represent the Company's official viewpoint on any issue or bind the Company under any contract. Only an officer of the Company or a person specifically authorized by an officer of the Company may execute any written agreement, document or instrument on behalf of the Company.

2.2. Interactions with Others. All employees are expected to treat each other, their supervisors, management, customers, suppliers and anyone else they deal with in the course of their employment with appropriate courtesy, professionalism and respect. Employees are expected to follow the instructions of their supervisors or other authorized personnel and to work together as a team to accomplish stated goals. Employees are encouraged to listen and consider others' viewpoints; not cause any unnecessary distraction or disruption of others' work; refrain from starting or perpetuating rumors; and to resolve any conflicts maturely and professionally.

2.3. Safety. A positive work experience starts with safety. The Company is committed to providing employees with a safe and healthy place to work. We can only accomplish this with the help of our employees. Employees who work safely help to reduce accidents, prevent injury, increase workplace efficiency and contribute to overall employee satisfaction. Employees are required to follow all Company safety policies and procedures. In the event employees become aware of an unsafe or unhealthy condition, they are asked to immediately inform their supervisor and not to perform any task that they deem unsafe.

The Company is committed to complying with all safety laws, rules and regulations, including all applicable workers' compensations laws.

2.4. Fraud, Theft, Falsifying Records, etc. All employees are expected to exercise honesty, integrity, objectivity and diligence in the performance of their duties. Under no circumstances may employees knowingly commit, or be a party to, any fraudulent activity, theft or the falsifying, altering or tampering of or with any records. Examples of prohibited conduct include:

- Forgery or alteration of any document or account belonging to the Company or Business Partner;
- Forgery or alteration of a check, bank draft, or any other financial document or record;
- Misappropriation of funds, securities, supplies, or other assets;
- Unauthorized or improper use of a Company credit card;
- Impropriety in the handling or reporting of money or financial transactions;
- Profiteering as a result of insider knowledge of Company or Business Partner

activities;

- Forgery, alteration or dishonesty in the use of any timecards, identification documents, doctor notes, expense reports, or other information provided by the employee to the Company;
- Unauthorized use of any other employee's timecard, password, computer, e-mail, telephone or other item personal to an employee;
- Providing false information to the Company or any Business Partner for any reason;
- Disclosing confidential or proprietary information to outside parties without authorization;
- Accepting or seeking anything of material value from contractors, vendors or persons providing services/materials to the Company in violation of the Company's gifts and entertainment policy;
- Destruction, removal or inappropriate use of records, furniture, fixtures, and equipment; and/or
- Any similar or related inappropriate conduct.

2.5. Continual Improvement. It is essential for the success of the Company that we all achieve total customer satisfaction each and every day. The Company expects all employees to demonstrate their commitment to meeting customer requirements by working efficiently and effectively, meeting or exceeding production and quality standards, and by continually improving processes, systems and their own skills, knowledge and ability. As a Company, we need to continue to get better at what we do every day in order to compete effectively and continue our success. In addition, the Company may from time to time initiate specific continual improvement projects. All employees are encouraged to participate in and support these projects.

2.6. Performance. In today's competitive environment, employee productivity is more important than ever before. When employees perform at their best, everybody wins – including, the employee, the Company and the customer. Each employee is responsible for his or her own performance and is expected to work efficiently and effectively with his or her co-workers in support of Company goals.

The Company expects employees to take an active role in managing their own performance and development. Employees are responsible for knowing and understanding their job description, work instructions, quality and productivity standards, training needs, and any other requirements to do their jobs well.

2.7. Compliance with Law. Employees are expected to comply with all applicable laws, rules and regulations, including those relating to employment, health, safety, immigration, conflict minerals and the environment, as well as laws relating to applicable federal or state government contractor requirements. In addition, employees are expected to comply with all laws, rules and regulations relating to sexual and other harassment and discrimination on the basis of an individual's race, color, national origin, religion, age, gender, gender identity and expression, genetic information, sexual orientation, disability, or any other characteristic that is protected by law. Sexual and other unlawful harassment (both overt and subtle) and discrimination are forms of employee misconduct that are demeaning to another person, that undermine the integrity of the employment or business relationship, and that will not be tolerated or condoned by the Company.

2.8 International Trade and Business. The Company is a global Company and does business with customers and suppliers throughout the world. The company is committed to complying with the laws of all countries where it is located, including relevant laws concerning labor and employment, safety, the environment, toxic substances, international trade, US export control (including laws regarding the export of technical data), conflict minerals, import-export, the protection of intellectual property, country of origin documentation, customs, immigration, and applicable US federal or state government contractor requirements.

The Company is also committed to complying with the US Foreign Corrupt Practices Act (FCPA). Company policy prohibits the solicitation or receipt of bribes, any improper payments to government officials, and any illegal political contributions.

2.9. Human Rights. The Company respects the individual dignity and value of every human being and is committed to conducting its operations in a way that complies with all laws respecting human rights in the countries where the Company is located. The Company complies with all child labor laws in the countries where it is located, does not use forced or indentured labor, and does not engage in human trafficking, nor will the Company knowingly conduct business with any person or entity that engages in such conduct.

2.10 Gifts and Entertainment. Precision Resource values its relationships with its customers, suppliers and other Business Partners and is committed to continually improving those relationships. However, the giving or acceptance of certain gifts by employees of the Company may give the appearance of improperly influencing the Company's Business Partners and, in some cases, could result in violations of law with potentially severe civil and criminal penalties.

Employees may not solicit any gifts from any of the Company's Business Partners, labor unions, labor representatives, or government officials. Employees may accept unsolicited non-cash gifts from Business Partners (but not government officials), *provided that* the gifts are either:

- of a nominal value, not to be greater than \$50, or
- customary business amenities regularly offered to others, such as meals or entertainment, *provided that* the expenses involved are kept at a reasonable level and are not prohibited by law, other company policy or practices, or the known policies or practices of the business relation offering the gift.

If an employee receives a gift that does not fit the above criteria, the employee should promptly inform his supervisor or manager who will take appropriate steps to return or dispose of the gift, as appropriate, and remind the Business Partner or government official offering the gift of the Company's gift policy.

Authorized employees may offer gifts to the Company's Business Partners (but not to government officials), *provided that* the gifts are either:

- of a nominal value, not to be greater than \$50, or
- customary business amenities regularly offered to others, such as meals or entertainment, *provided that* the expenses involved are kept at a reasonable level

and are not prohibited by law, other company policy or practices, or the known policies or practices of the business relation to whom the gift is to be offered.

In all cases, an employee should only offer a gift if the gift is not being offered as a bribe or to influence any business decision and only if authorized by the employee's department manager.

Reasonable and customary business entertainment, such as meals or an athletic or cultural event, and the associated costs for transportation, lodging or attending such event, are permissible; *provided that* there is a legitimate business motive and the entertainment does not violate the FCPA.

2.11 Violence in the Workplace. Violence in the workplace (both threatened and actual) threatens the safety of employees and invited guests while damaging employee morale and productivity and will not be tolerated or condoned by the Company. Except where permitted by law, employees are prohibited from bringing any kind of weapon onto the Company's premises. Employees are also expressly prohibited from engaging in any kind of violence, physically threatening or intimidating conduct or assault of any kind.

2.12 Alcohol and Drug Use. Working or being on the premises while under the influence of alcohol or illegal drugs is incompatible with the health and safety of our employees and invited guests as well as the efficient and effective performance of job duties. Under no circumstances may employees, whether on the Company's premises or conducting business off the Company's premises, use, possess, distribute, sell, or be under the influence of alcohol or illegal drugs.

2.13. Confidentiality. It is important that all confidential information be protected so that our competitors and our customers' competitors do not gain an advantage by having access to information developed through the hard work of our employees or by our customers or suppliers. Employees are instructed to keep all confidential information secret. The Company also takes privacy seriously and has implemented policies and procedures regarding the collection, use and storage of personal data.

2.14 Duty to the Company. Each employee is expected to devote his full working time, attention and energy to the business of the Company. However, the Company understands that employees may have interests outside of the business of the Company. Employees are free to pursue any such interests as long as they do not violate or conflict with any Company policies or procedures and do not conflict with the mission or interests of the Company. A conflict of interest occurs when the employee's private interest (including the interest of any family member, friend or business associate) interferes with the Company's interest. Such situations can make it difficult for the employee to perform his job duties effectively and impartially.

Conflicts of interest include:

- Having any ownership or financial interest (other than investments in publicly traded securities of less than 5%) in a customer, supplier, or competitor of the Company;
- Performing any services for a customer, supplier or competitor of the Company except as part of the employee's normal job duties;

- Disclosing, sharing or using the Company’s confidential or proprietary information for any reason other than for the sole benefit of the Company;
- Accepting gifts, services or favors from customers, suppliers, competitors or government officials, except as permitted by the Company’s “Gifts and Entertainment” policy;
- Using Company property in furtherance of the employee’s personal interests at the expense of the Company’s interest;
- Entering into any transaction between the Company and any person or entity in which the employee or any family member, friend or business associate has an interest;
- Conducting business for personal profit during working time or using Company systems or equipment; and
- Taking for oneself any opportunity that has been offered to the Company.

Employees are expected to avoid engaging in any conduct that may cause, or give the appearance of causing, a conflict of interest.

2.15 Protecting the Environment. Each of the Company’s divisions are certified (or are in the process of becoming certified) to the ISO 14001 environmental management system. Employees are expected to comply with all applicable laws concerning the discharge and disposal of hazardous substances, permits, and licenses, and with sound conservation practices.

### **3. Expectations of Customers, Suppliers and Business Partners of Precision Resource**

3.1. Business Conduct. Conduct their business, both in general and with Precision Resource, ethically and in accordance with the highest standards of integrity, honesty and fair dealing. Interaction between the employees of our respective companies should always be governed by appropriate courtesy, professionalism and respect.

3.2. Safety. Develop and maintain a strong commitment to safety by providing their employees with a safe and healthy place to work and by complying with all safety laws, rules and regulations, including all applicable workers’ compensations laws.

3.3 Compliance with Laws. Comply with all applicable laws, rules and regulations, including those relating to the protection of intellectual property, employment, health, safety, immigration, conflict minerals, and the environment and laws relating to applicable government contractor requirements. All US Business Partners must comply with all export control laws and regulations. In addition, we expect our Business Partners to comply with all laws, rules and regulations relating to sexual and other harassment and discrimination on the basis of an individual’s race, color, national origin, religion, age, gender, gender identity and expression, genetic information, sexual orientation, disability, or any other characteristic that is protected by law. We expect all Business Partners to have comprehensive policies in place to prevent harassment or discrimination of any kind. The Company further expects all of its Business Partners to comply with its contractual obligations with the Company.

3.4 International Trade and Business. Comply with the laws of all countries in which they operate, including relevant laws concerning labor and employment, safety, the

environment, toxic substances, international trade, export control (including laws regarding the export of technical data), conflict minerals, import-export, the protection of intellectual property, country of origin documentation, customs, immigration, and applicable federal, provincial or state government contractor requirements. In addition, we expect all of our Business Partners to be aware of and to comply with the US Foreign Corrupt Practices Act (FCPA), the UK Bribery Act, and all similar applicable laws, and to avoid the solicitation or receipt of bribes, any improper payments to government officials, and any illegal political contributions. Further, we expect our Business Partners to support our compliance efforts by not offering or soliciting bribes, improper payments or illegal contributions from our employees or government officials.

3.5. Human Rights. Respect the individual dignity and value of every human being by conducting its operations in a way that complies with all laws respecting human rights in the countries where they are located. We expect all of our Business Partners to comply with all child labor laws in the countries where they are located and refrain from the use of forced or indentured labor, human trafficking, or from knowingly conducting business with any person or entity that engages in such conduct.

3.6 Gifts and Entertainment. Our Business Partners are expected to be familiar with, and support us by complying with, our Gifts and Entertainment policy. *See Section 2.10 above.*

3.7 Confidentiality. Not to disclose any confidential information provided by the Company, whether belonging to the Company or one of its customers, suppliers or other Business Partners. It is a condition of doing business with Precision Resource that: (a) our Business Partners protect such confidential information and keep it safe without disclosing it to any third party except pursuant to our prior written consent; and (b) any confidential information provided by the Company will be used by our Business Partners solely in furtherance of our business relationship and will not be used to compete against us. The Company expects its Business Partners to implement policies and procedures regarding the collection, use and storage of personal data.

3.8 Visiting Precision Resource. Visitors to one of the Company's facilities are required to observe our health, safety, environmental and confidentiality policies.

3.9 Protecting the Environment. Certify to the ISO 14001 Environmental Management System or put in place systems at least as strong as such standard. Comply with all applicable laws concerning the discharge and disposal of hazardous substances, permits, and licenses, and with sound conservation practices.